WEALTH MARKETS AND COMMERCE

Announcement has been made that the British government has agreed to purchase from Australia 100,000 tons of zinc concentrates per annum for the period of the war and for ten years after the conclusion of the war.

Finance - Economics

GARET GARRETT, Editor

WALL STREET OFFICE: Mills Building, 15 Broad St. — Telephone: Hanover 6514

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"As a nation, we have grown rich, and have grown fat, and have grown soft, and we are to-day the most tempting prize under the blue canopy of heaven." —JAMES K. LYNCH, retiring president of the American Bankers' Association.

Our gains in foreign trade during September reached a new record.

The total value of goods shipped was $512,847,957.

The total value of goods received was $164,128,604.

The difference is $348,719,343, and that is one month's favorable balance, to be settled in gold, in valuables or in notes of promise to pay later.

Let us throw the trade of twelve months into the form of a simple account, thus:

During twelve months to Sept. 30 our sales of goods to foreign countries amounted to	$4,971,945,883
In the same time our purchases of foreign goods amounted to...	2,307,766,567
Balance owing to us....	2,664,179,316
Receipts of foreign gold during these twelve months were	456,032,344
Remainder to be settled for by the world on account of a year's trade with the United States	$2,208,146,972

The remainder has been paid partly by the sale in this country of American securities that had been long owned abroad, which is permanent payment, and partly by means of short term loans, which is temporary payment. Gold, securities and credit—those are the three things in which Europe has been paying for the enormous quantities of goods bought in this country, and great as her resources have been in these things, they are not inexhaustible. Europe now is running into debt with us at the rate of about $3,000,000,000 a year. She cannot continue to do this for an indeterminate time. She could not find enough gold and securities to pay us with, and we could not go on selling on credit, because, when we give credit, we have to have the means of credit, and these, too, are exhaustible.

Foreign trade has attained a prodigious momentum, increasing daily. One cannot see anything to stop it, except the end of the war, which is not in sight, yet if one believes in simple arithmetic one is unable to believe that this progressive rate of increase can be sustained. So many things were impossible until they had happened that people now are filled with a superstitious credulity. One is afraid to say that anything is impossible. We could not imagine lending $1,500,000,000 to Europe in the first year of war, nor $3,000,000,000 in the second year. It had been easier to imagine our own bankruptcy. But having seen the impossible happen, we try to imagine lending $6,000,000,000 in the third year. What then? Suppose it should go into the fourth year. Could we imagine lending $12,000,000,000?

Under pretext of having to defend the Federal Reserve Bank system against the mysterious and predatory designs of the Republican party, the Democratic party takes unto itself the credit for having created and launched it and for all the benefits through and by reason of it conferred upon the borrowers of money. This is vanity, wherein it is not petty politics. There is nothing yet to boast of. The Federal Reserve Bank system has not been tested. In a time when there was already too much credit it has made credit more abundant and cheaper. In a time when there was already too much money it has added some of its own. In a time when it was already too easy for the producer to withhold his produce it has loaned money at special rates to banks that would lend it to farmers who wished to hold their crops for higher prices. The test of the Federal Reserve Bank system will come later, when it shall be necessary to make credit dearer instead of cheaper, when it shall be necessary for some one to pay instead of borrowing always; and then we shall perhaps fail to perceive the advantage of a bank system controlled by politics.

"The Modern Merchant and Grocery World" is open-eyed with astonishment. One would not have believed that food products could rise as they have without reducing the demand perforce, thereby impairing the prosperity of the vender class. "Many staples," it says, "among them flour, are ruling to-day higher than they have done since the tremendous advances of the Civil War period. Think of sauerkraut at $18 a barrel, against a normal figure at $4.50!" Think of sauerkraut, indeed! The editor likes it. Personally, no doubt, he prefers it at the normal price, but he likes the grocery trade to be prosperous, too. He continues:

> One would think present prices would be wholly beyond a great many people and that a good part of the population would have to come down to the simplest foods. But the buying goes right on. In fact, in American history high prices have always been accompanied by prosperity, and the higher the prices the higher the prosperity. Conditions existing during the Civil War period supply a good example.

Then he takes us behind the counter, and this is worth attending to:

> It is good for the retail merchant for prices to take a high level and to remain upon it until the people get used to it. Merchants can always get better profits after a period of high prices is over. People have grown accustomed to paying a high price, and after the high wholesale price begins to decline the *retail* price can be *gradually* lowered without sacrificing the dealer's profit. It is growing harder and harder to get a profit *continuously* when prices hold a certain level for a period of months or years. When there is competition the tendency is always down, never up.

It is probably true, only, in saying it, the editor must have been forgetful. The implication of what he says is that the retailer can advance prices fast enough to keep or increase his margin of profit on a rising tide, and then, having accustomed the eyes of his customers to his price legends, he can let his quotations down slowly, softly and conservatively, in a manner actually to increase his profits. "Nothing on earth," he adds, "seems more elastic than the spending capacity of the average buyer." Quite so. The wonder is where he gets the money he spends.

A Prosperous Belligerent

There are moments when Canada feels almost ashamed to look at her own prosperity. Trade in the second half of the fiscal year, ended with September, was more than double that of the corresponding six months of the preceding year. Bank deposits in the same time increased one-quarter. These figures move "The Monetary Times" to express its misgivings:

> These figures reflect the prosperity of war. Business on this side of the Atlantic has flourished on the supply of the belligerents' needs overseas. Therein two important considerations arise. First, because of our geographical position we have not suffered the hardships or made the sacrifices which Great Britain is doing. Second, the material improvement in our national position as a result of the war may easily be shattered after the war unless thrift, foresight and fore-action are practised.

But what is the case? Nobody will bother about what is to come after this. The government proposes to hold a national business conference to discuss ways and means of meeting the economic situation which will arise with the return of peace, and business, being otherwise occupied, does not respond. The conference has been postponed. That is not the worst. That is material. Consider how lightly people take their moral responsibilities. It is the business of the finance department to tell people how well off the nation is; that is what a finance department is for. But Sir Hammar Greenwood, member of the British House of Commons, tells the Canadian Club some disagreeable facts. People in Canada are behaving as if there were no war at all. There are more motor cars in Toronto devoted to private pleasure than in all of Great Britain. The English have sent their cars to the front. In Great Britain there is a tax of 60 per cent on war profits. In Canada war profits can be spent. Such was the truth cast upon the Canadian soul by Sir Hammar, but then that is what Sir Hammar had come to do, and he was enthusiastic for his errand. Lest the Canadian be quite overcome by remorse we read to him from "The London Economist" about the English at home:

> At the root of our financial problem, and of others, is the failure of the government to compel the reduction of extravagance, which is still rife in all classes except those which have been subjected to compulsion in one form or another. High prices of food for the poor, high rates of interest for government loans, high cost of war—all are aggravated by the spending on unnecessary and often quite frivolous objects of money that ought to be used for buying victory. The letter box of every citizen is still stuffed with elaborately printed and illustrated circulars, inviting him or his womankind to unpatriotic spending. It is so much more easy to induce people to risk their lives than to make them understand that it is unpatriotic to spend money uselessly, that our achievements in finance—the field in which we rightly believed ourselves strongest—do not compare well with the splendid expansion of our productive power and our astonishing feat in creating in two years an army able to beat the best troops that Germany could send against it.

People are people everywhere, even in Germany, where it is a proverb since the war that a farmer will give his three sons to the Kaiser and obstinately hold back his pig for a higher price.

Money and Credit

The actual condition of the New York Clearing House banks on Saturday was as follows:

Loans and discounts	$3,295,766,000
Reserve in own vaults	433,883,000
Reserve in Fed. Res. bank	174,160,000
Reserve elsewhere	53,674,000
Net demand deposits	3,263,036,000
Net time deposits	165,371,000
Circulation	31,595,000
Aggregate reserve	661,717,000
Excess reserve	99,425,560

The changes from the actual condition of the week before were:

Loans and discounts	Dec.	$41,966,000
Net demand deposits	Dec.	8,061,000
Net time deposits	Dec.	471,000
Circulation	Inc.	111,000
Aggregate reserve	Inc.	28,788,000
Excess reserve	Inc.	30,511,150

The statement was one of the strongest in weeks. Actual surplus reserves were increased $30,511,150, and are again close to $100,000,000. Not since the week of July 15, when an increase of $41,500,000 took place, has there been such a gain in this item. Loans were reduced $41,966,000, apparently one of the results of the call of loans by the banks early in the week, when call money shot up to 4 per cent.

New York Federal Reserve.—The condition of the Federal Reserve Bank of New York at the close of business Friday, compared with the previous week, follows:

RESOURCES	Oct. 20	Oct. 13
Gold reserve	$164,394,740	$170,604,120
Legal tender money	5,155,601	7,147,766
Total reserve	$169,550,341	$177,751,886
Discounts	25,096,100	23,532,709
Investments	10,924,959	10,798,959
Fed. Res. notes (net)	8,881,155	8,745,000
Due from other Fed. Res. bks. (net)	20,340	—
All other resources	174,435	163,026
T'l resources	$214,647,333	$220,991,581
LIABILITIES		
Capital	$11,907,000	$11,901,850
Member bank deposits	200,131,774	200,883,832
Gov. deposits	2,608,558	3,203,300
Due to other Fed. Res. bks	—	5,002,593
T'l liabilities	$214,647,333	$220,991,581
Fed. Res. notes outstanding	$79,692,015	$77,602,515
Agt. which is dep. with Fed. Res. agent: Gold and lawful money	79,692,015	77,602,515

More Gold from Canada.—The arrival of $5,000,000 in gold from Canada yesterday brings the total inflow for the week up to $30,500,000. Of this, $10,000,000 went to Philadelphia. The metal was all deposited to the account of J. P. Morgan & Co., acting for the British government.

Total gold imports since the first of the year now amount to $415,000,000.

Bank Exchanges.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York	$659,758,644	$38,468,768
Baltimore	6,216,912	585,816
Boston	44,458,613	6,677,556
Philadelphia	46,799,937	6,082,049

Sub-Treasury.—New York banks lost to the Sub-Treasury $1,028,000.

Silver.—Bars in London, 32⅝ pence; here in New York, 67⅞ cents; Mexican dollars, 52¼@55¼.

Federal Reserve Banks

Washington, Oct. 21.—Purchases on a large scale of acceptances and net withdrawals in some volume of member deposits largely account for the decreases in gold and total reserves indicated by the weekly bank statement of the Federal Reserve Board.

Aggregate cash reserves of the banks show a decrease for the week of $10,900,000, New York, Philadelphia and Cleveland reporting the largest reduction in their cash holdings. The total decrease in gold reserves is slightly over $10,000,000. In the case of New York a loss of $8,200,000 in cash reserve is accompanied by an increase of $4,500,000 in the total amount due from other Federal Reserve banks, of $1,700,000 in earning assets and of $1,900,000 in total deposits. The loss of $2,800,000 shown by the Philadelphia bank goes hand in hand with an increase of $1,600,000 in earning assets and a decrease in deposits.

Aggregate earning assets are at present about $190,000,000, a gain of $4,600,000 for the week, and constitute about 341 per cent of the banks' paid-in capital. Of the total earning assets 43.5 per cent is represented by acceptances, 21.8 per cent by United States bonds, 17.2 per cent by warrants, 11.3 per cent by discounts and 6.2 per cent by Treasury notes.

The Federal Reserve Board's statement to-day of combined resources and liabilities of the twelve Federal Reserve banks of the United States at the close of business October 20 follows:

RESOURCES.	
In money:	
Gold coin and certificates in vault	$261,515,000
Gold settlement fund	121,351,000
Gold redemption fund with U. S. Treasurer	1,418,000
Total gold reserve	$384,284,000
Legal tender notes, silver, etc.	10,561,000
Total reserve	$394,845,000
Five per cent redemption fund against Federal Reserve Bank notes	420,000
Bills discounted:	
Maturities—	
Within 10 days	$14,311,000
From 11 to 30 days	24,461,000
From 31 to 60 days	35,928,000
From 61 to 90 days	28,147,000
Over 90 days	1,210,000
Total	$104,057,000
Investments:	
United States bonds	$41,355,000
One-year United States Treasury notes	11,697,000
Municipal warrants	32,543,000
Total earning assets	$189,632,000
Fed. Res. notes—net	$15,181,000
Due from Fed. Res. banks—net	30,604,000
All other resources	2,630,000
Total resources	$633,312,000
LIABILITIES	
Capital paid in	$55,682,000
Government deposits	26,116,000
Member bank deposits, net	538,102,000
Federal Reserve notes, net	11,896,000
Federal Reserve banknotes in circulation	1,032,000
All other liabilities	484,000
Total liabilities	$633,312,000

Gold reserve against net deposit and note liabilities, 70.4 per cent.

Cash reserve against net deposit and note liabilities, 72.4 per cent.

Cash reserve against net deposit liabilities after setting aside 40 per cent gold reserve against aggregate net liabilities on Federal Reserve notes in circulation, 73.1 per cent.

In the above statement the principal items compare with a year ago as follows:

Total gold reserve	Inc.	$101,997,000
Bills discounted	Inc.	60,735,000
Member bank deposits	Inc.	197,658,000
Federal Reserve Notes in circulation	Dec.	2,913,000

The Dollar in Foreign Exchange

The week was characterized in the main by a narrow movement in rates. In the face of fresh importations of British gold from Canada to the amount of $30,500,000 and definite reports of a new British credit for $300,000,000 or upward, sterling drafts remained practically unchanged. The same held true of exchange on Paris, which made little response to the announcement of a $100,000,000 commercial credit extended to a group of private French commercial and industrial concerns.

Weakness of Russian rubles the fore part of the week was perhaps the most conspicuous feature. Exchange on Petrograd dropped sharply on Tuesday and went as low as 31, the bottom price for a period of several months. Subsequently there was slight recovery, although it was not impressive. Speculation in rubles has ceased for the time. Purchases of this character sent the rate to 34 early in September. At current quotations it requires $1.65 worth of rubles to purchase $1 in New York funds.

If you calculate the cost of the dollar in terms of foreign money—that is, as if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be about as follows:

Cost of one dollar.	Yesterday.	Year ago.
In English money	$1.02	$1.04
In French money	1.10	1.14
In Dutch money	.97	.99
In German money	1.35	1.16
In Swiss money	1.01	1.03
In Swedish money	.95	1.03
In Russian money	1.65	1.56

The market at the end of the week was quiet, with only nominal changes.

	Yesterday.	Week ago.
Sterling, demand	4.75⅝	4.75⅝
Sterling, sixty days	4.71½	4.71¾
Sterling, cables	4.76 7/16	4.76 7/16
Sterling, ninety days	4.69¼	4.69½
Francs, demand	5.84½	5.84½
Francs, cables	5.83½	5.83⅝
Guilders, checks	41 5/16	40⅞
Guilders, cables	41¼	41
Reichsmarks, checks	70¼	70⅜
Reichsmarks, cables	70 5/16	70⅜
Lire, checks	6.52	6.48¼
Lire, cables	6.51¼	6.47½
Swiss, checks	5.28	5.28
Swiss, cables	5.27	5.27¼
Austrian, kronen, ch'ks	11.96	11.98
Stockholm, kr., checks	28.40	28.45
Copenhagen, kr., ch'ks	28.20	28.25
Pesetas, checks	20.13	20.13
Rubles, checks	31.20	31.50

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75⅝	$4.86⅝
Francs	0.17.1	0.19.3
Guilders	0.41 5/16	0.40.2
Marks	0.17.6	0.23.8
Rubles	0.31.20	0.51.2
Lire	0.15.4	0.19.3
Crowns (Denmark)	0.28.20	0.26.8
Crowns (Sweden)	0.28.40	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling for $4.75⅝, the intrinsic parity is $4.86⅝ per pound. Thus, you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

AN ALARMING MIGRATION OF NEGRO LABOR

Half a Million Black Workers Have Come North in a Year

Washington, Oct. 21.

Alarming reports have reached the Department of Labor of the extent of the northward negro migration during the last year. The department's officers have been instructed to discourage this movement, and they will send no more negro laborers North without a thorough investigation of the opportunities for employment at their destination. Most of the exodus from the Southern states, however, is encouraged by private employment agencies, over which the department has no control.

Unofficial reports received by officials indicate that in twelve months about 500,000 negro laborers have been sent North. Southern employers have complained that most of these had employment in the South, but were enticed North by promises of better wages. The employment agents of the Department of Labor have been instructed not to assist laborers looking for better jobs, but only those who are out of work. Some Southern states have laws forbidding the solicitation of laborers for work outside the state unless a license is obtained from the state authorities.

The charge has been made also that negroes are being shipped North and colonized for political purposes. The Department of Justice has investigated these charges, but thus far has been unable to substantiate them.

Trades Union Opposition

Samuel Gompers, president of the American Federation of Labor, believes that much of the negro labor movement is aimed at trades unionism. He has instructed officers of the federation throughout the Northern states to report on the extent of the movement, and to ascertain the attitude of the negroes toward the unions.

Charitable institutions also are concerned over the migration. Their investigations show that many of the negroes are employed on outside work, which will cease in the winter, throwing thousands out of employment. Further, the Southern negroes are ill equipped to withstand the Northern climate, and are therefore peculiarly subject to disease, and may become public charges or objects of private charity.

The Planters' Dilemma

The effect on the Southern planters already has been perceptible. Unless the exodus is checked it is feared the cotton and tobacco industries must face tremendous losses, ending only with a general readjustment of labor conditions in the South. Already greatly increased wages are being offered in some sections, it is reported, while the scarcity of labor persists.

The laborers who migrate are unmarried for the most part, reports show, but those who have families have in all but a small minority of cases deserted them. The result, it is believed, will be a sharp decline in the rate of increase among the negro population, particularly as the death rate among the transplanted blacks is expected to be high on account of the change of climate.

Northern employers say the laborers under thirty years of age are generally unsatisfactory, and thousands have proved utterly worthless. Leaders among the Northern negroes are opposed to the movement, fearing an intensification of racial issues.

The Southern Point of View

"The Manufacturers' Record," the leading economic publication of the South, offers the following discussion of negro migration to the North:

"It would seem that the movement of negroes from the South to the North has, to a considerable extent, been brought about by the Department of Labor at Washington. According to a dispatch from Washington to the daily papers, it is said that the first important effort made by the Department of Labor to secure men for Northern employers was to fill an application which came from the Erie Railroad, and that this was shortly afterward followed by a similar application from the Pennsylvania Railroad. By the time a thousand negroes had been moved North, however, the Department of Labor awoke to a realization of the fact that there were comparatively few unemployed negroes in the South, and the department instructed its agents to confine their activities to securing employment for negroes in their immediate sections.

"Thus the Southern cities, which have been vigorously undertaking to suppress the agents who were drawing negroes away from this section under the impression that they were employed by Eastern railroads and manufacturing concerns, are up against the fact that the Department of Labor admits that it was the responsible organization for undertaking to supply negro laborers from the South to the Erie and Pennsylvania railroads, thus draining this section of labor badly needed at home.

Filling a War Vacuum

"The scarcity of labor in the munition factories of the East has resulted in these enterprises drawing upon all available labor at high rates of wages, and men have crowded from other industries into the munition plants to get the exorbitant prices that have been paid by reason of Europe's demand for war supplies. With a reduced supply of labor, drawn from other industries and from railroad work, into munition factories and the cutting off of immigration, some big concerns, railroad and industrial, in the East and the West, aided by the national government and by individuals, have had their agents throughout the South offering high pay and easy conditions to negro labor. The result has been a very heavy movement of negroes from the South to the East and to the West.

"The scattering of the negroes into the North and West will make the negro question a national problem, instead of a sectional one, and the whole country will then the better understand the difficulties under which the South has labored in handling the negro question. So long as the North and West know nothing by practical experience of this question, they will never understand the South's difficulties, but just as soon as negroes are sufficiently scattered over the North and West to bring the question directly before the people of these sections, there will be a national study of the problem instead of a sectional study, as has heretofore been necessary.

Other Aspects

"There are some other features in connection with this negro movement to the North and West which will also be of advantage to the South. This section has depended too largely upon manual labor, and in many respects upon slipshod farming methods by negro tenants. There has been a disposition to buy up large tracts of land and farm it by negro tenants, who had no interest other than what they could get out of one year's crop, uncertain as to whether they would remain on the land next year or not. With a lessening of the supply of tenants there will be a tendency toward concentration of energy and work upon the cultivation of a smaller acreage by intensive farming rather than a large acreage by wasteful farming methods. In many cases on the farm and in the factory where manual labor has been used, because of the abundance and low price of negro labor, it will now become necessary to substitute mechanical equipment, to the advantage of every industry in the South.

If the negroes who go North and West should find that they have not reached the Garden of Eden, as they had expected, and later on return to the South, they will have a higher appreciation of their advantages in this section than they had before and will be better and more faithful in their work."

NOVEL FEATURES OF NEW FRENCH CREDIT

Smaller Banks and Individual Investors May Participate

Plans of the syndicate being organized by the Bankers' Trust Company, the Guaranty Trust Company and William P. Bonbright & Co. to handle the new $100,000,000 credit to French industrial and mercantile concerns have several novel features. The credit, like each of the three for $15,000,000 previously negotiated by Bonbright & Co. with the French banks, will be availed of by drafts. These drafts, instead of being drawn by French banks, as in the earlier instances, will be drawn by large French manufacturing and industrial concerns.

Another variation from the earlier credits is that the present loan is for a period of eighteen months, accomplished through three months' drafts, with renewals every quarter, the discount and exchange fees being paid to the banks at the time of each original and renewal acceptance.

The security of the drafts is represented not only by the financial responsibility of the forty or fifty French industries which will be the drawers of the drafts, but also by 20 per cent of French government notes to the full amount of the credit.

Still another interesting feature is the option to take payment of part or all of the credit maturity in francs on the basis of 5.70 per dollar. French exchange is now around 5.84½, while the par of exchange is 5.18¼. Any improvement in the exchange rate above 5.70 will represent a profit to the American syndicate.

A plan has been proposed by the managers by which smaller institutions and individual investors may obtain from members of the syndicate undivided participations by which such investors would take over the participating bank's responsibility and also all earnings, including the possible profits on the exchange operation, reserving to the bank merely a compensating acceptance fee for its activities. No attempt has been made in any of the former credits to accomplish a general distribution among investors or to relieve the banks of the temporary investment of their funds.

Relevant Information

New York Central.—It has been a matter of comment in Stock Exchange circles that transactions in New York Central have been continuously heavy over a period of many weeks, pointing to the transfer of ownership of a large amount of the stock through the open market. Now it appears from figures just compiled that liquidation of foreign holdings of New York Central has been very active since June last. According to Dow, Jones & Co., on October 6 foreign holdings of the stock had fallen to $7,600,000, compared with $16,500,000 in the middle of June, a reduction of $8,900,000, or at the rate of approximately $2,225,000 a month. At the beginning of January $20,573,000 in New York Central was owned abroad, and shortly before the beginning of the war the total was $24,000,000. The $7,600,000 owned abroad on October 6 was only 3 per cent of the $249,590,000 outstanding. If foreign sales continue at the average rate of the last four months there will be little or nothing left of the foreign holdings by 1917. It is interesting to note that despite the absorption of $8,900,000 of Central since middle June the price of the stock has risen from around 104 to above 110, and that the directors have decided to raise new capital by the sale of stock instead of bonds.

Central Leather.—This stock was second to Steel in point of activity yesterday, and on a turnover of 50,000 shares rose to 89, the highest price on record, closing at 88¾, up more than 6 points from Friday. There is $39,701,030 of common outstanding, on which dividends have been paid since 1914. Last year the total disbursements on this class of stock amounted to 7 per cent, and this year the company has been declaring in addition to the regular quarterly dividend of 1 per cent an extra of the same amount. On the $33,299,050 of 7 per cent cumulative prefered the full dividends have been maintained since 1906. The latest earnings of the company, covering the second quarter of the current year, were at an annual rate of 22.92 per cent on the common, compared with 10.82 actually earned in 1915. The surplus for the three months was $1,787,263. An unofficial forecast put out yesterday estimated earnings for the September quarter at $1,000,000 ahead of the second quarter, when the balance after preferred dividends was $2,581,281.

General Motors.—On transactions of only 300 shares General Motors common rose 36 points yesterday to 825, a new record. It is the highest price stock listed on the exchange. Dividends are being paid on the $16,506,783 of common outstanding at the rate of 20 per cent a year. On gross sales of $156,900,296 in the year ended July 31 last the company earned 163 per cent on the common stock after the full requirements on the $14,985,200 of 7 per cent cumulative preferred. The surplus for the year after all dividends was $17,010,437, against $13,408,839 in 1915 and $6,201,055 in 1914. Announcement was made last month that this company will be succeeded by a new company on November 1, with an authorized capital more than three times as large as the present capital. It will be called the General Motors Corporation and have $100,000,000 new capital stock, of which $80,000,000 will be common and $20,000,000 prefered. Present stockholders will get five shares of the new common for one of the old and 1 1-3 shares of the new 6 per cent preferred will go to each share of the old preferred. The new preferred will be redeemable after September 1, 1918, at 110. The company is a holding corporation, owning the capital stock of about fifteen active motor car manufacturing concerns.

TRANSCONTINENTAL RATE CASE REOPENED

Washington, Oct. 21.—The so-called transcontinental railroad rate case, involving rates on a vast traffic in commodities between the Pacific Coast and the East, was ordered reopened to-day by the Interstate Commerce Commission. The commission assigned hearings on proposed rates at Chicago on November 20, Salt Lake City November 28, San Francisco December 4, Portland, Ore., December 11, and Spokane December 14.